



Strategic Compensation Update

Educator Talent Team – Spring 2018

Agenda

- Compensation Reform in Tennessee
- Tennessee Teacher Perceptual Data
- Changes in Teacher Pay
- Differentiated Pay
- Next Steps



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Compensation Reform in Tennessee

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Compensation Reform in Tennessee

2007

- Compensation law passed by legislature

2010-11

- Evaluation required as part of First to the Top Act and required to be used as a factor in human capital decisions
- Strategic compensation plans emerge funded with Race to the Top (4 districts) and TIF Round 3 (12 districts)

2012

- Additional strategic compensation plans funded with TIF Round 4 (3 districts)

2013-14

- State minimum salary schedule changes to allow for increased local flexibility
- Differentiated pay guidelines updated by State Board

2014-15

- First year of statewide differentiated pay implementation

2017

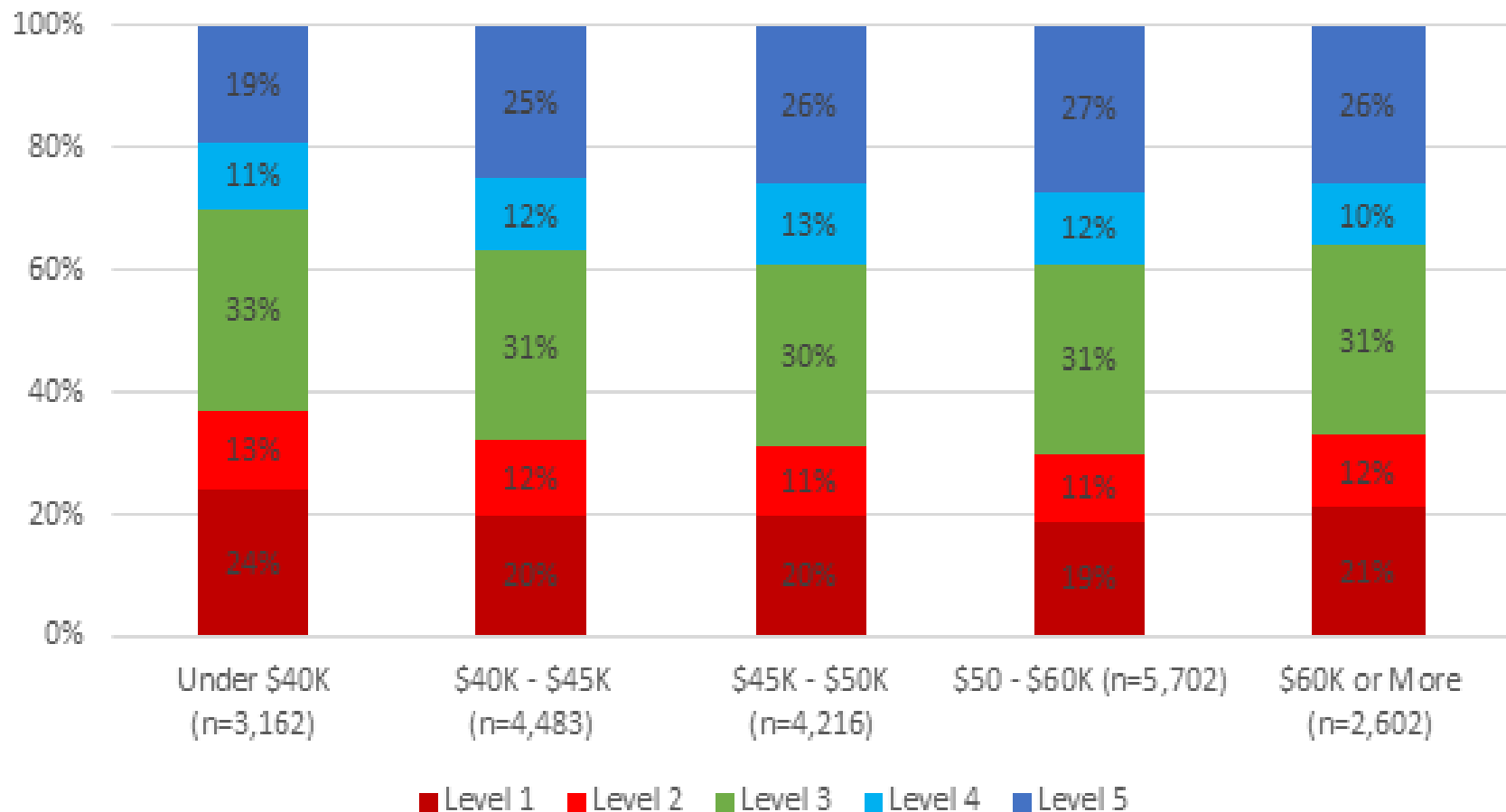
- Nearly \$450M invested in teacher salaries
- Strategic compensation policy passed by the state board

2017-18 State Minimum Salary Schedule

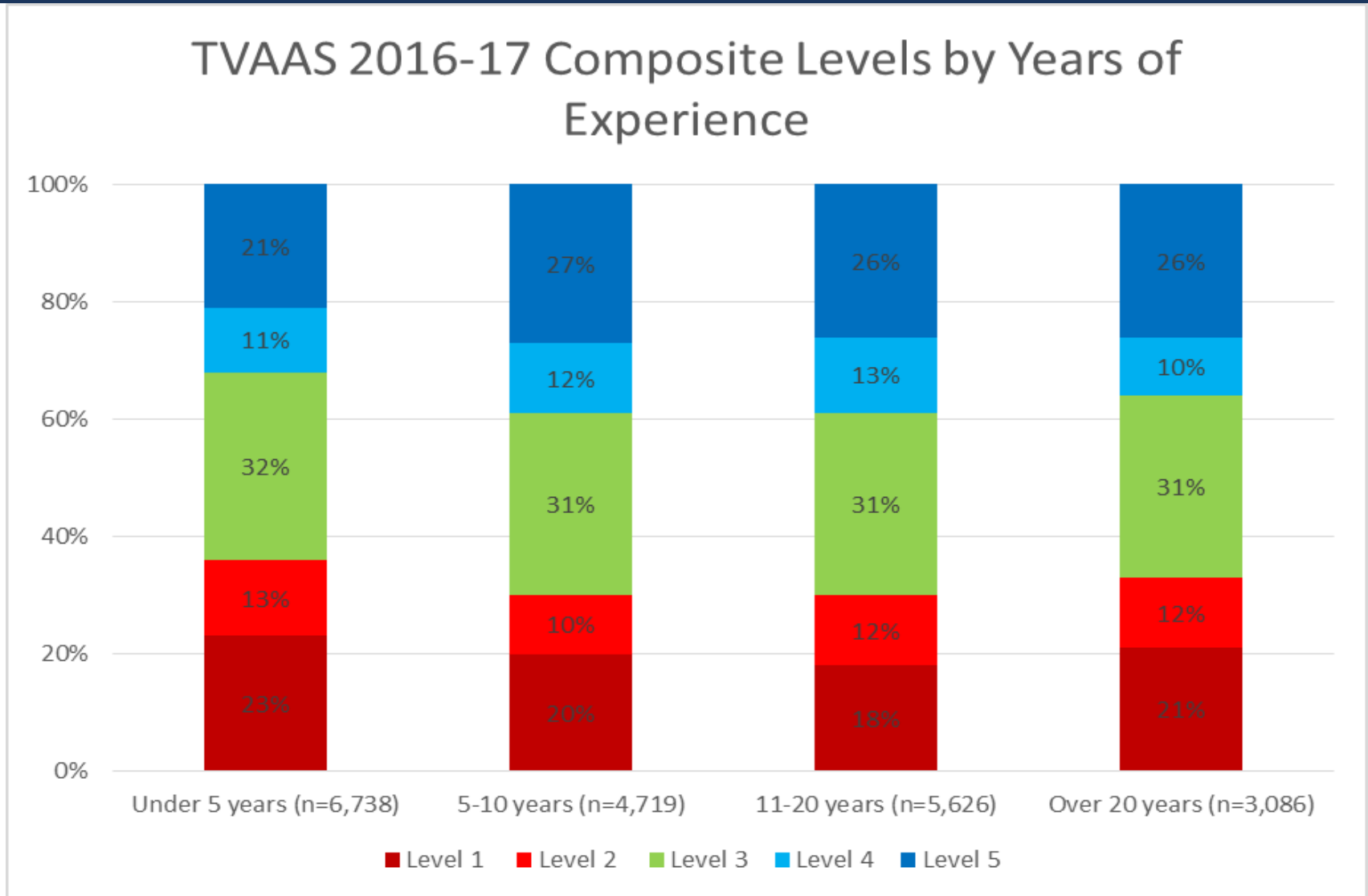
Base Salary = \$33,745	Year 0	Years 1- 5	Years 6-10	Years 11- 15
With Bachelor's Degree	Base = \$33,745	Base + \$595 = \$34,340	Base + \$3,320 = \$37,065	Base + \$6,850 = \$40,595
With Advance Degree	Base + \$3,555 = \$37,300		Base + \$7,315 = \$41,060	Base + \$11,330 = \$45,075

Why strategic compensation?

TVAAS 2016-17 Composite Levels by Salary

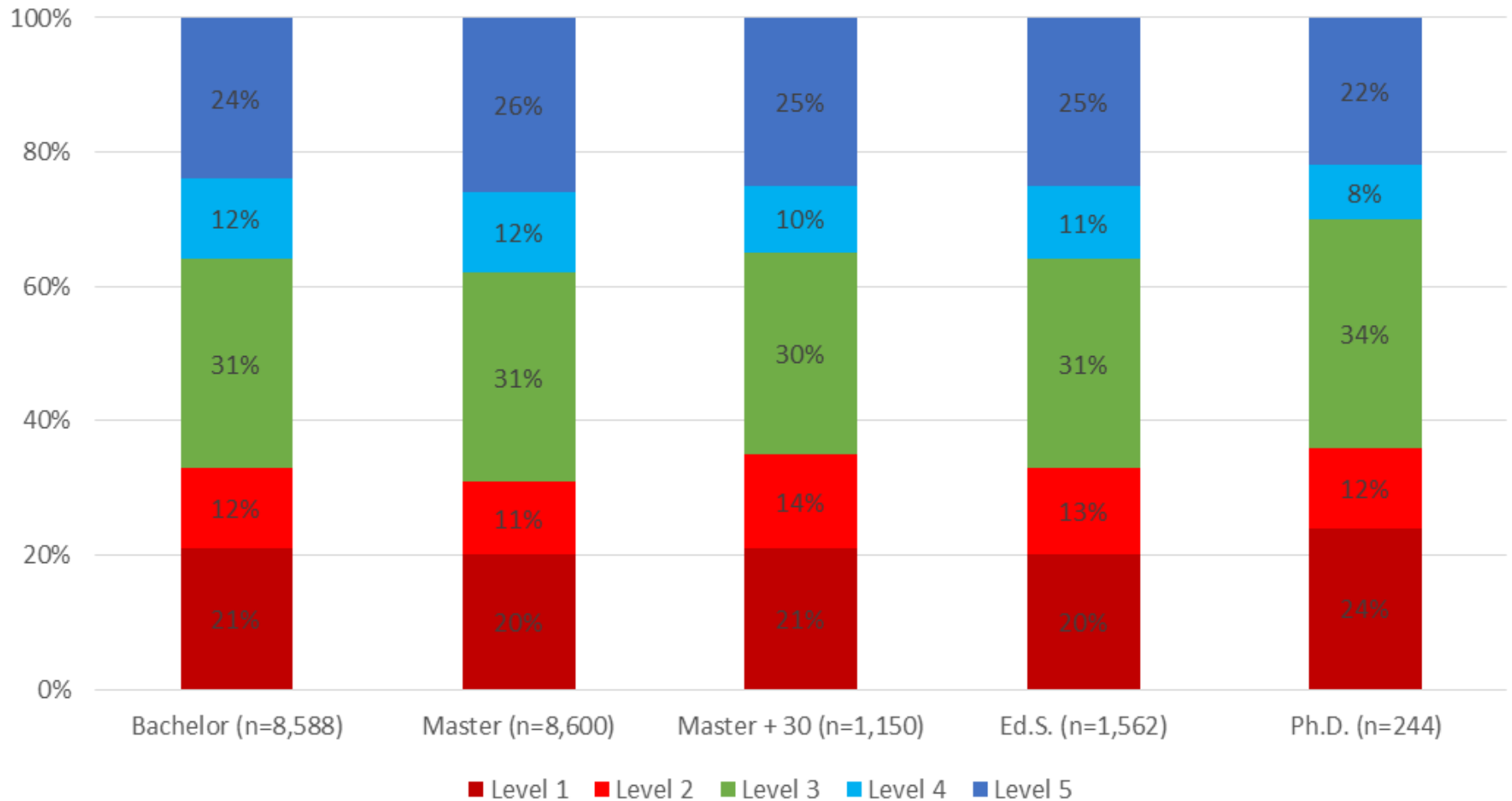


After five years, there is little difference in performance based on experience.

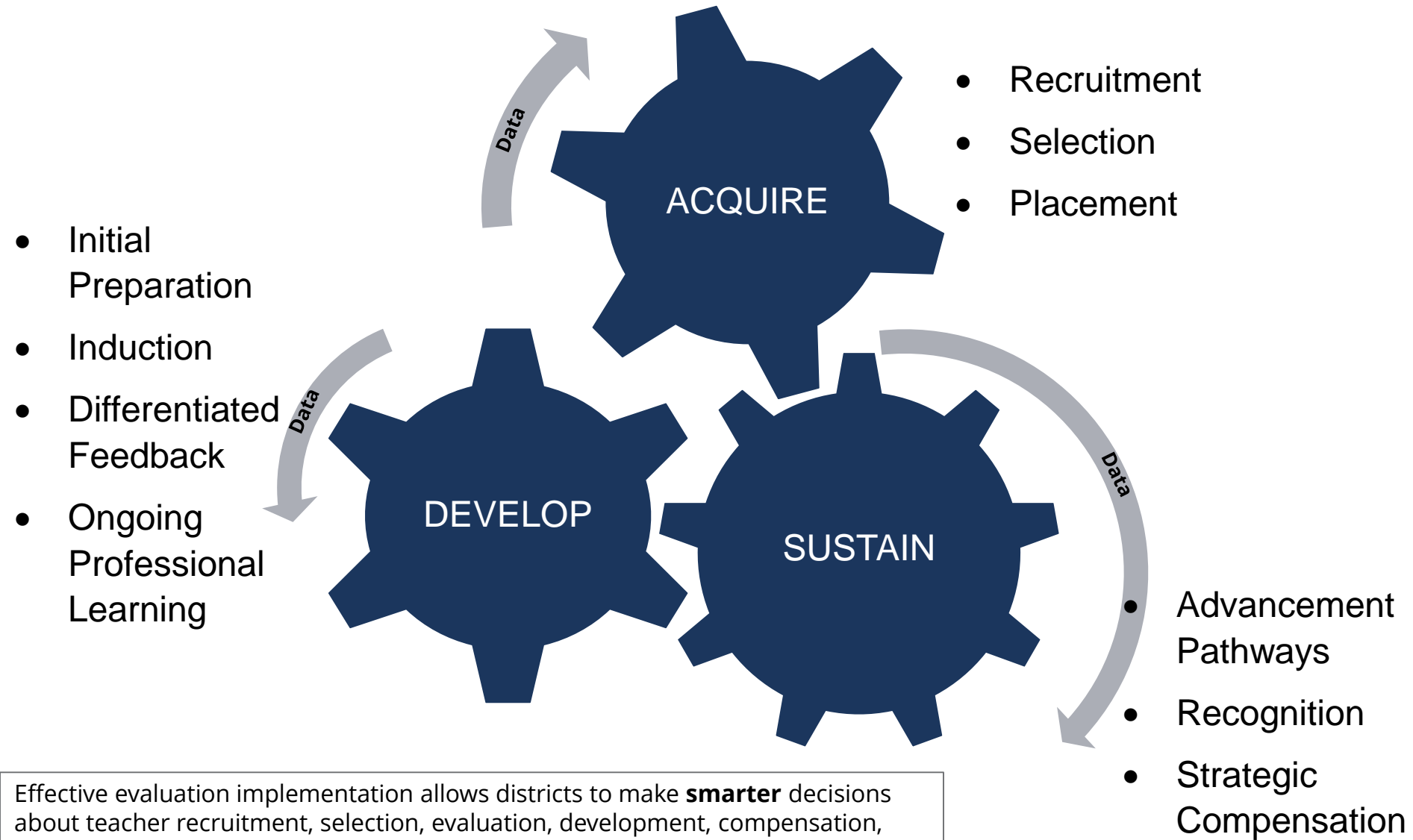


Advanced degrees have little correlation with student outcomes.

TVAAS 2016-17 Composite Levels by Education Level



Tennessee Human Capital Framework



Why should district leaders review and update its compensation plan annually?

- Effective teachers are the most important factor contributing to student achievement
 - Step and level/lane salary schedules do not align funding with the research
- Compensation is one component of the district's human capital strategy to recruit and retain the most effective teachers into our schools and classrooms
- State increases to the BEP instructional component and salary equity funds must be used for teacher compensation
- In order to reach ambitious goals, support and resources should be differentiated

Tennessee Succeeds Project Plan: Educator Support

Supporting the preparation and development of an exceptional educator workforce

- Focus educator preparation providers on **outcome measures** via provider approval, the annual report and the report card.
- Improve the **accuracy** of educator evaluation and the **quality** of the **feedback** educators receive.
- Support district development of more effective **personalized professional learning** components through tools that allow better tracking and evaluation of results.
- Support districts in creating **greater differentiation** of teacher **roles, responsibilities, and salaries**.
- Create statewide and regional **leadership pipelines** that produce **transformational** school leaders.

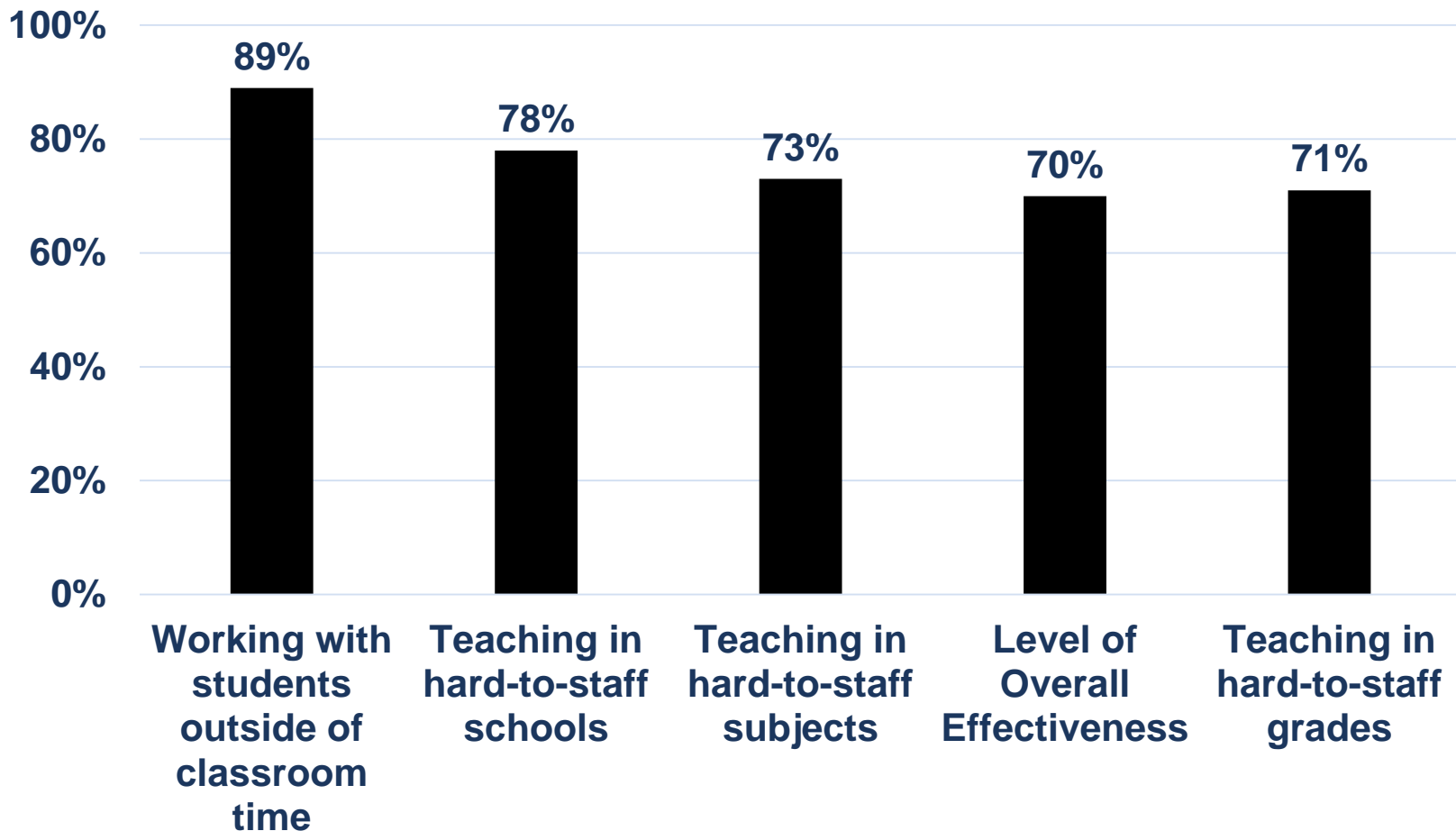
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Tennessee Teacher Perceptions

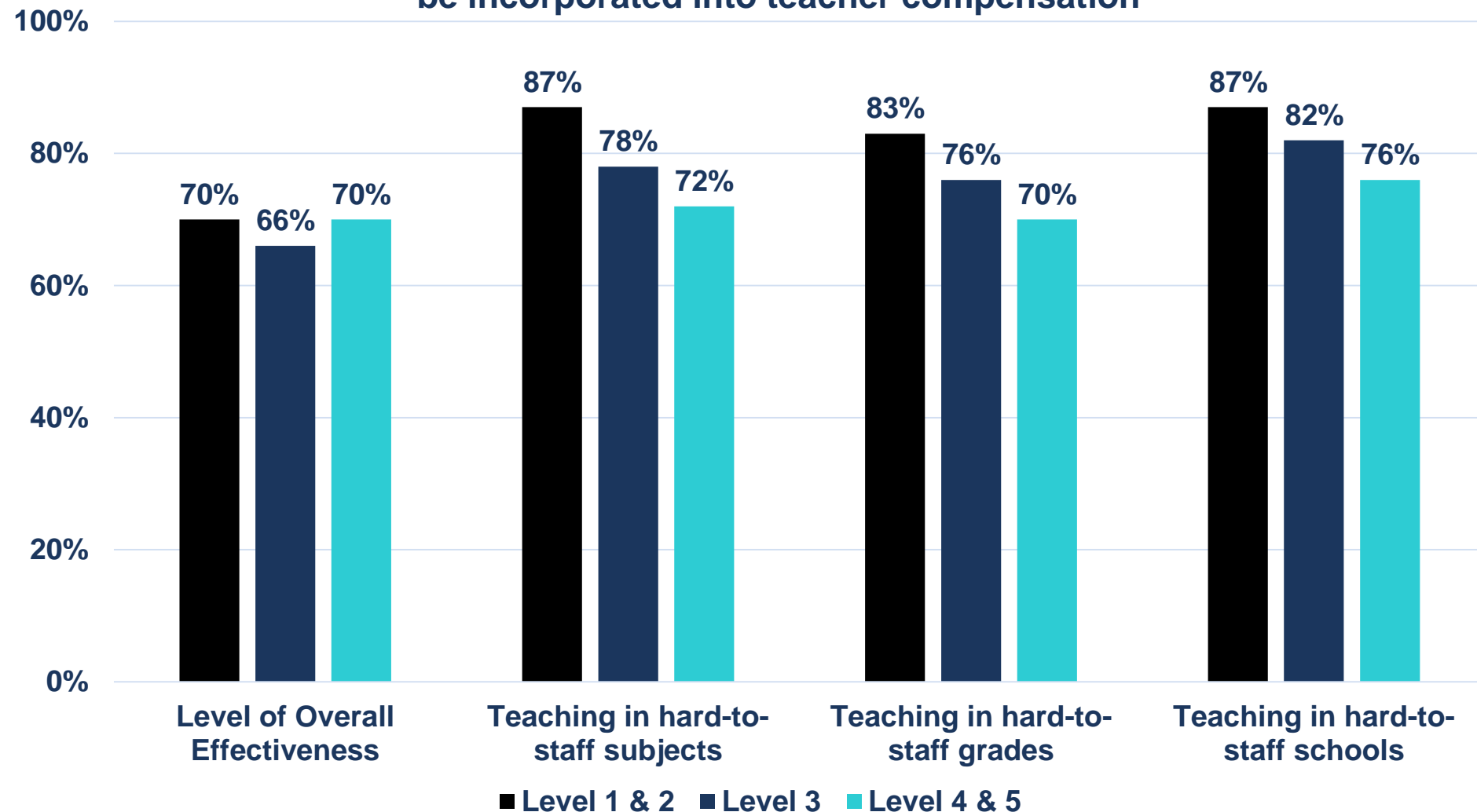
Most teachers think that many factors should be incorporated into teacher compensation.

Percent of teachers who think each of the following factors should be incorporated into teacher compensation



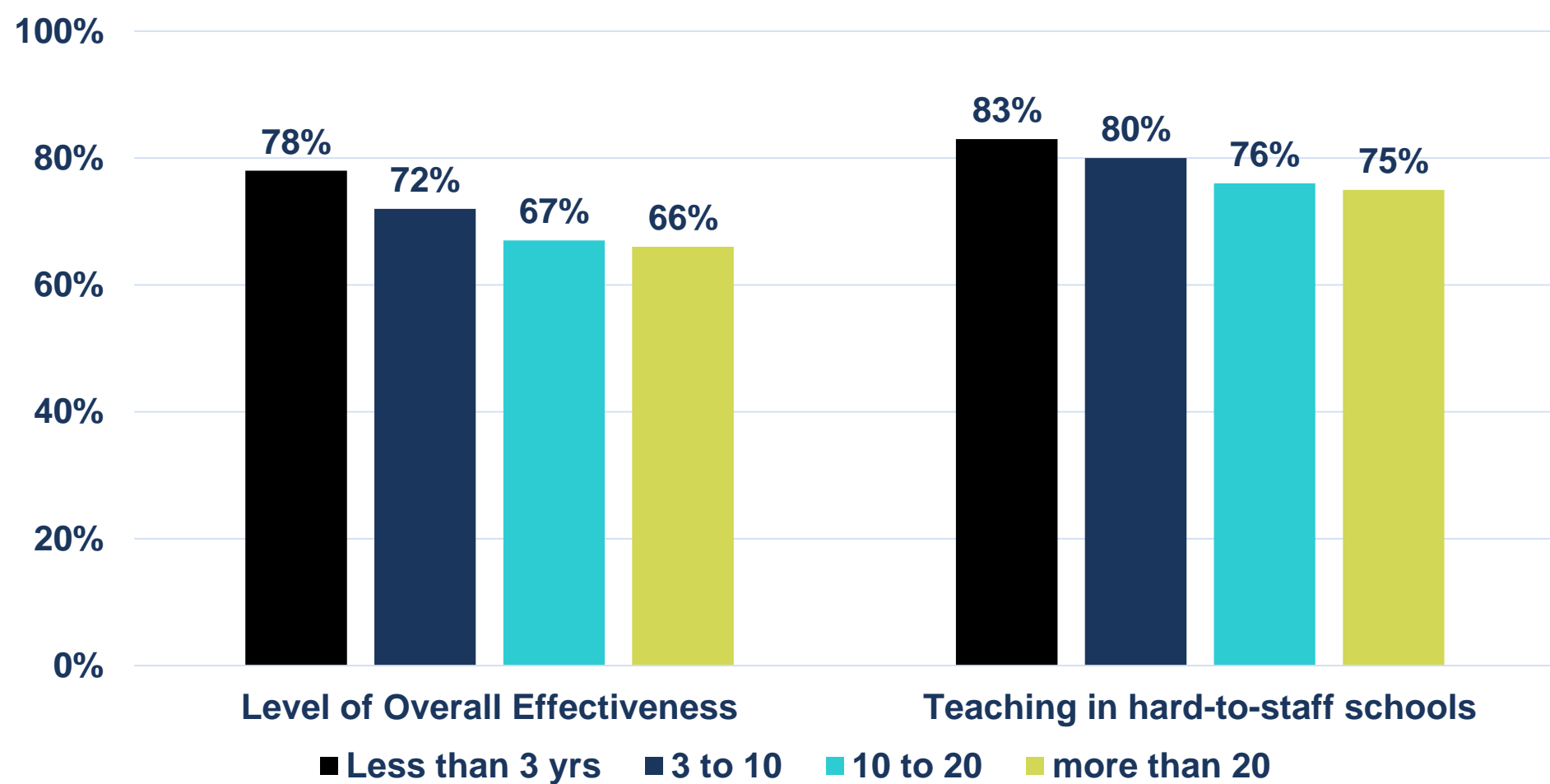
Teachers' opinions of whether LOE should matter for compensated did not vary on average by prior year LOE.

Percent of teachers who think each of the following factors should be incorporated into teacher compensation



Teachers with fewer years of experience were more in favor of differentiated compensation options.

Percent of teachers who think each of the following factors should be incorporated into teacher compensation



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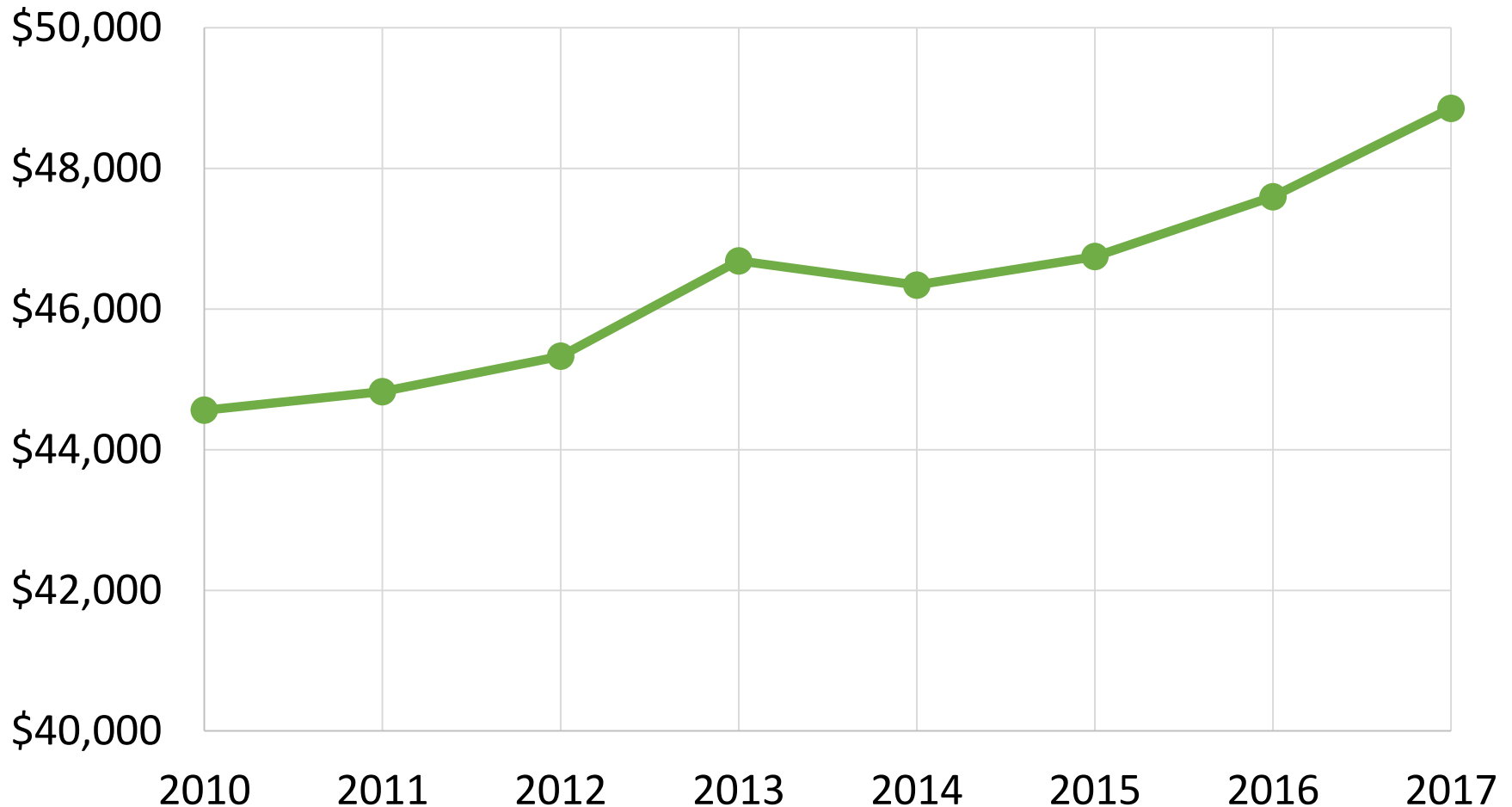
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Changes in Teacher Pay

Median teacher pay has increased.

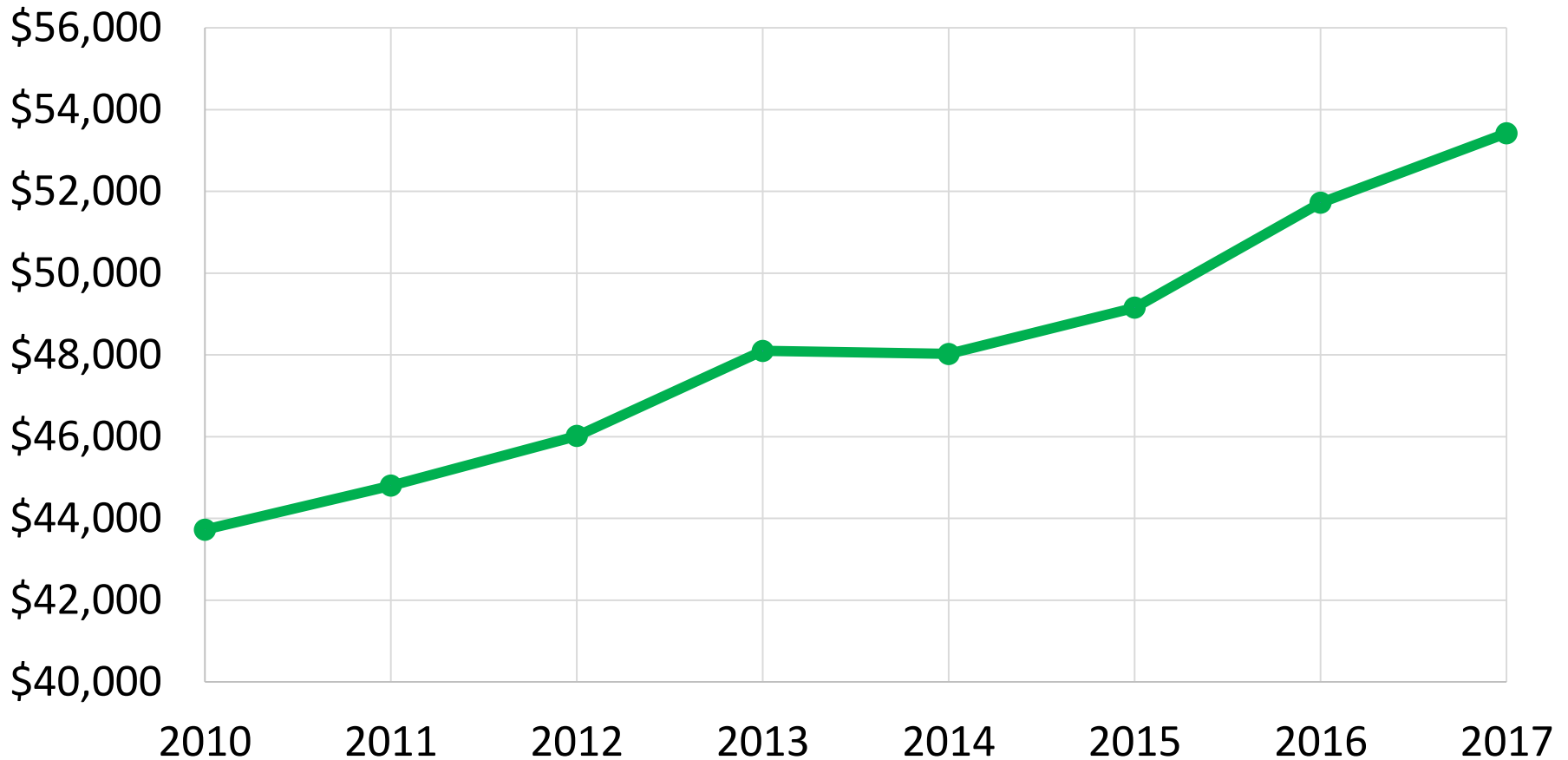
Median Teacher Salary in Tennessee



Pay has increased 22 percent for teachers who have worked in TN schools from 2010–2017.

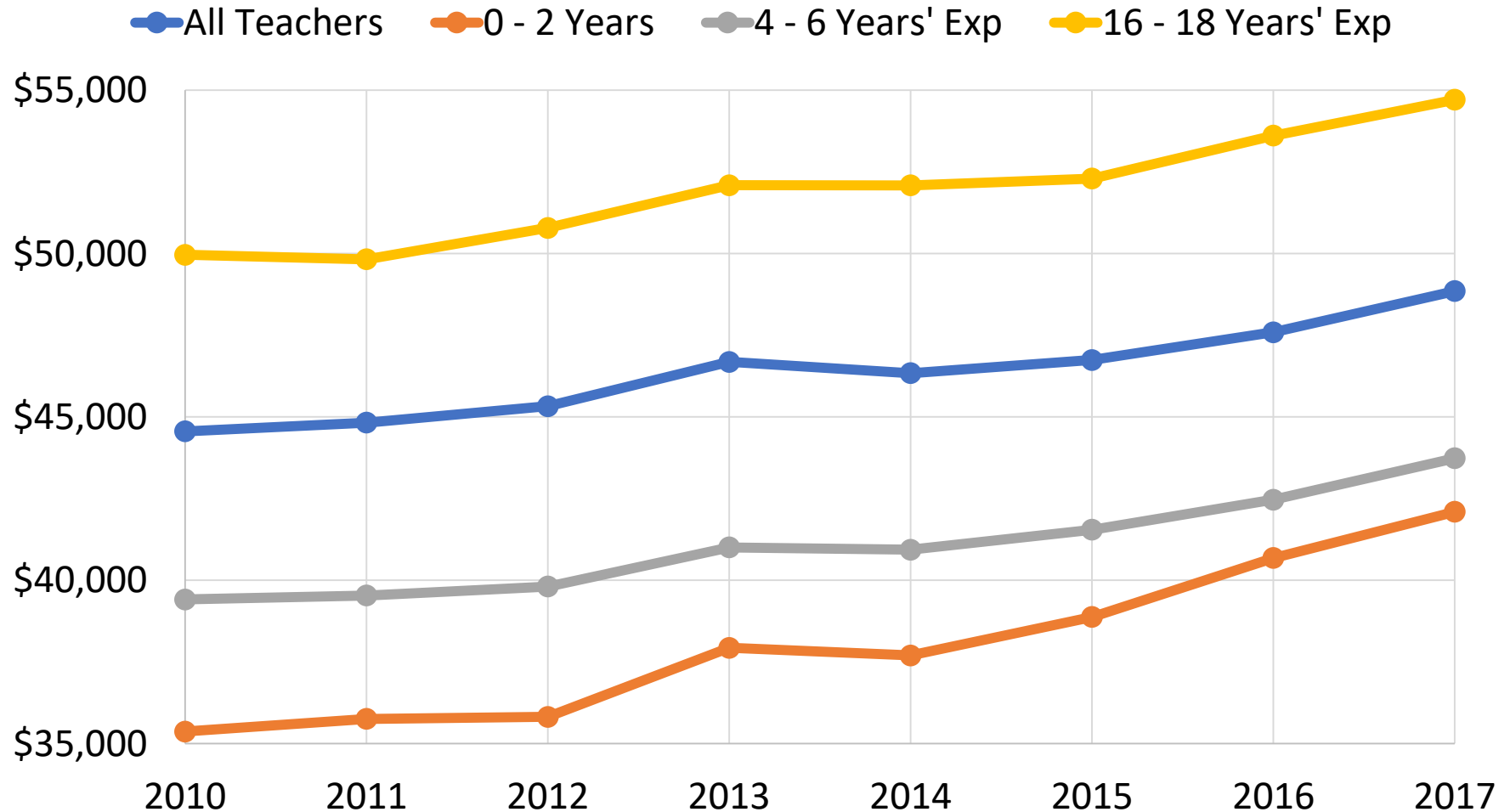
Median Salary for 2010–2017 Cohort

● 2010-17 Cohort



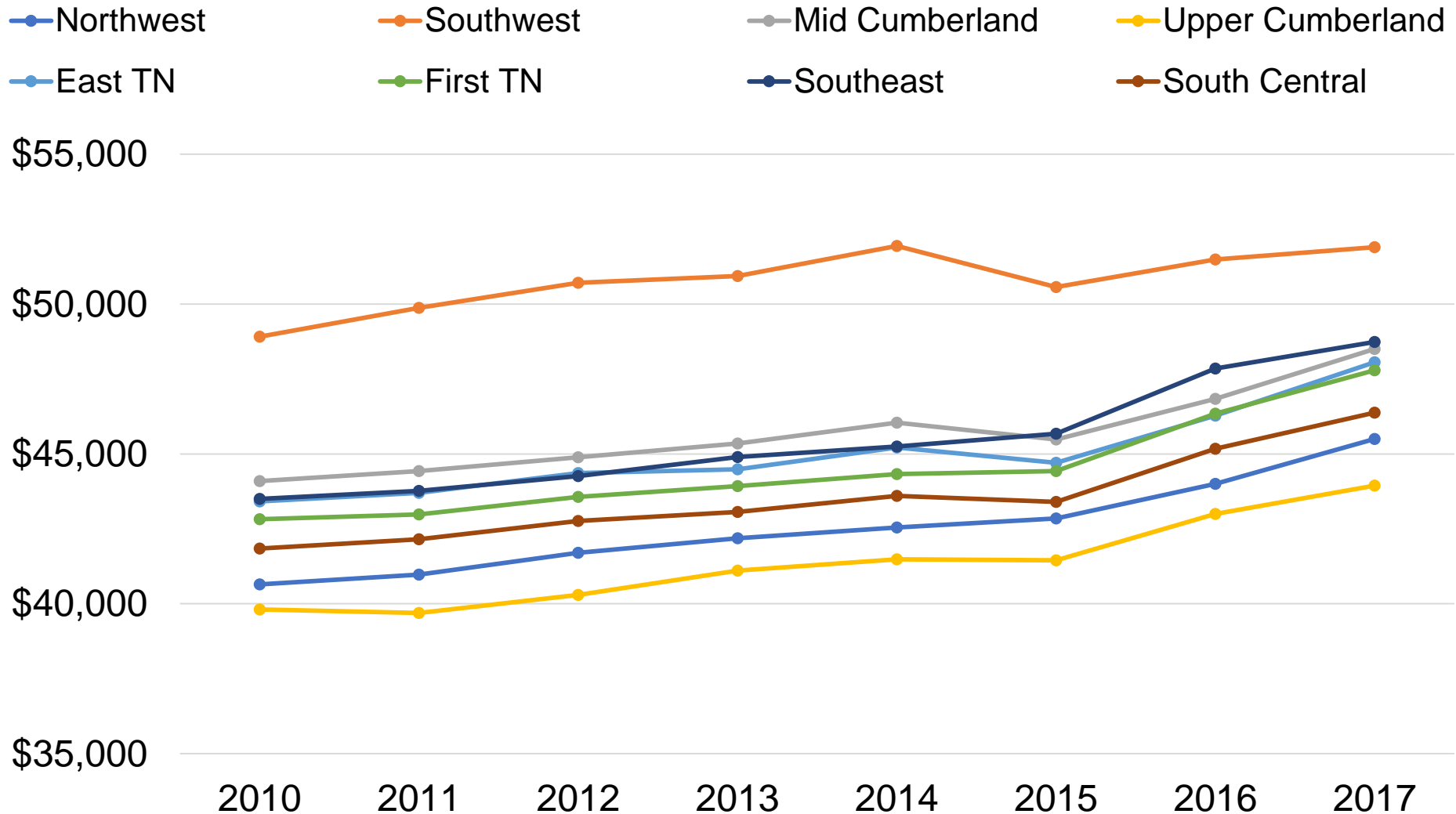
Pay is increasing for all teachers at all levels of experience.

Teacher Salaries by Experience



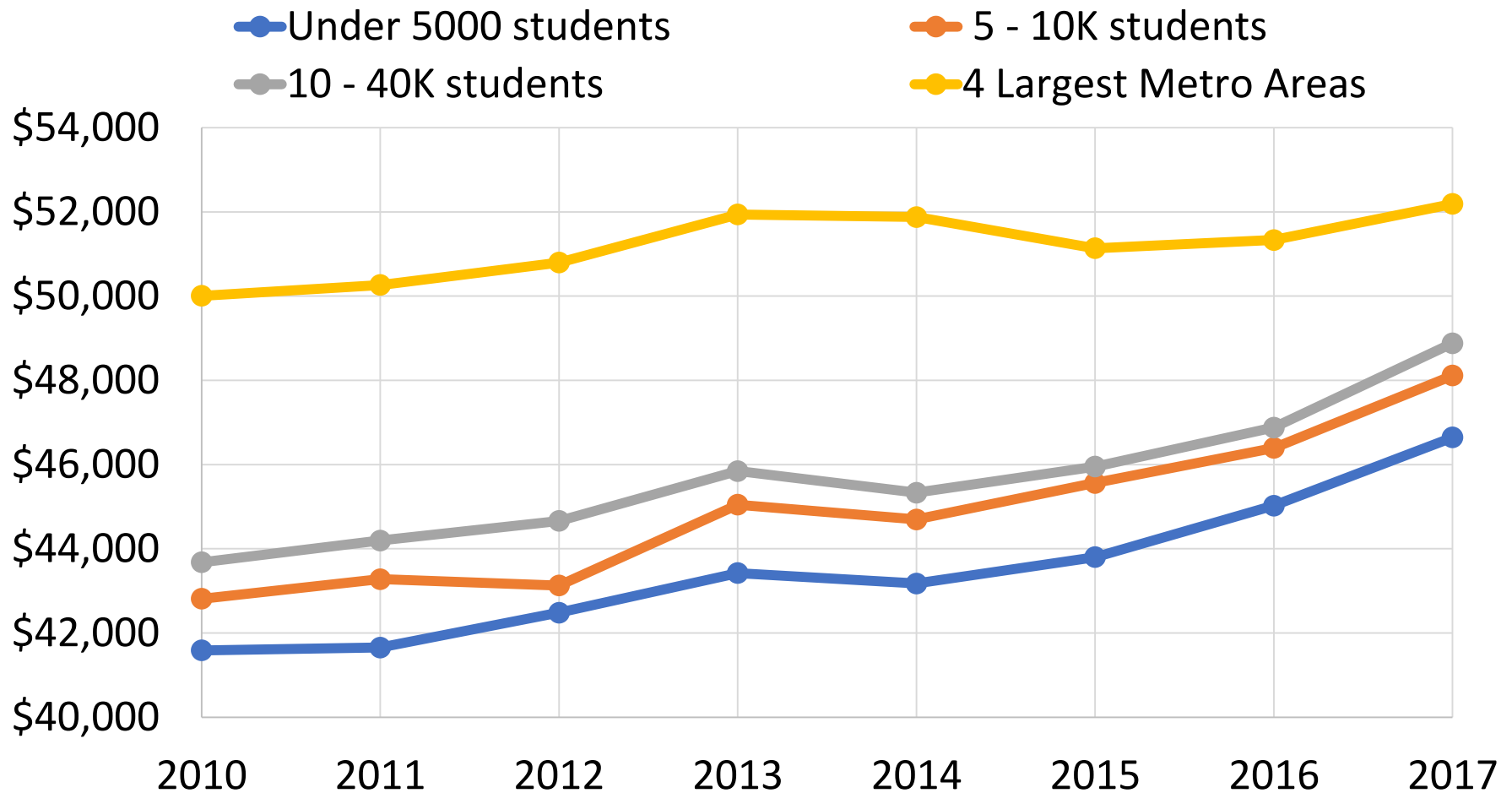
Teacher pay is increasing in all regions.

Teacher Salary by Region



Pay is increasing in small and medium-sized districts at higher rates than in the largest districts.

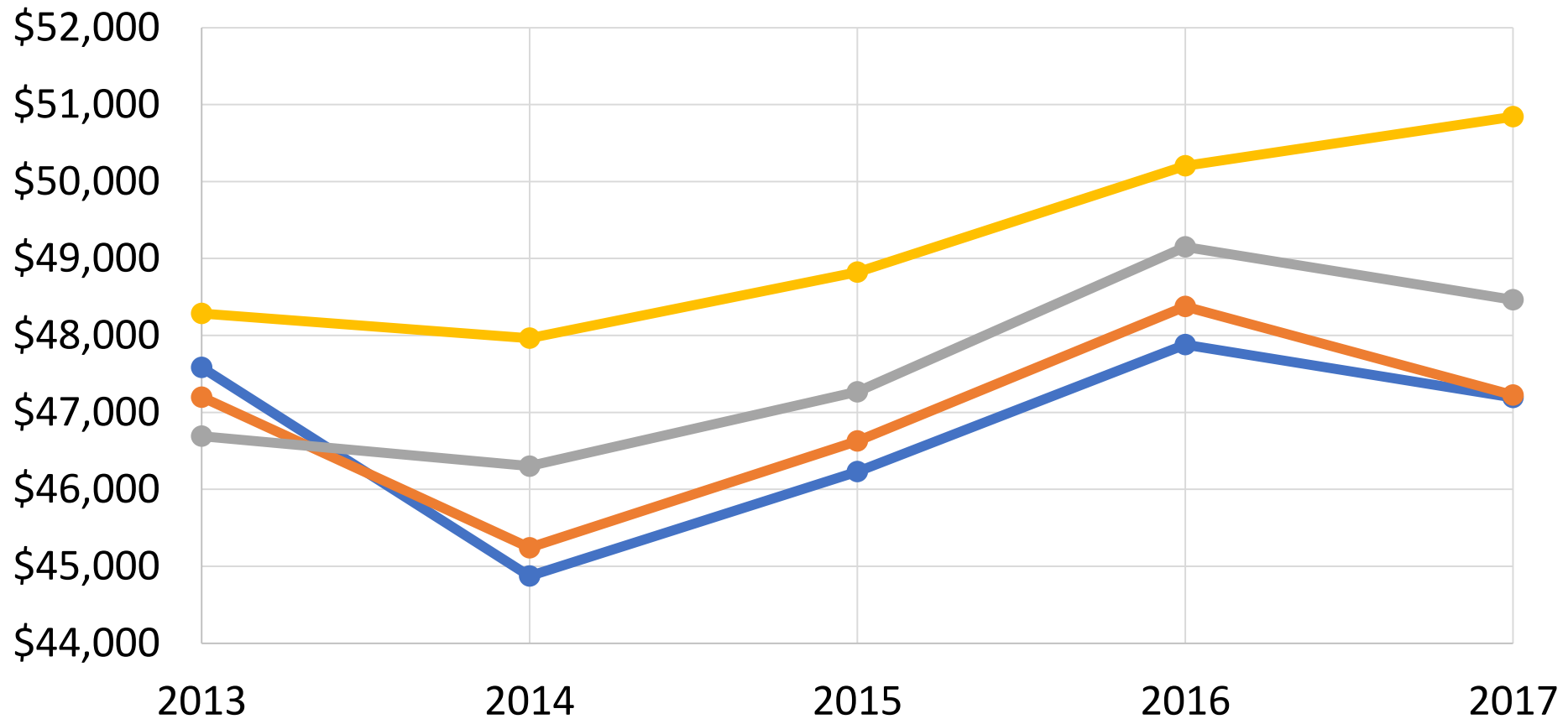
Teacher Salaries by District Size



Highly effective teachers are seeing some pay differentiation.

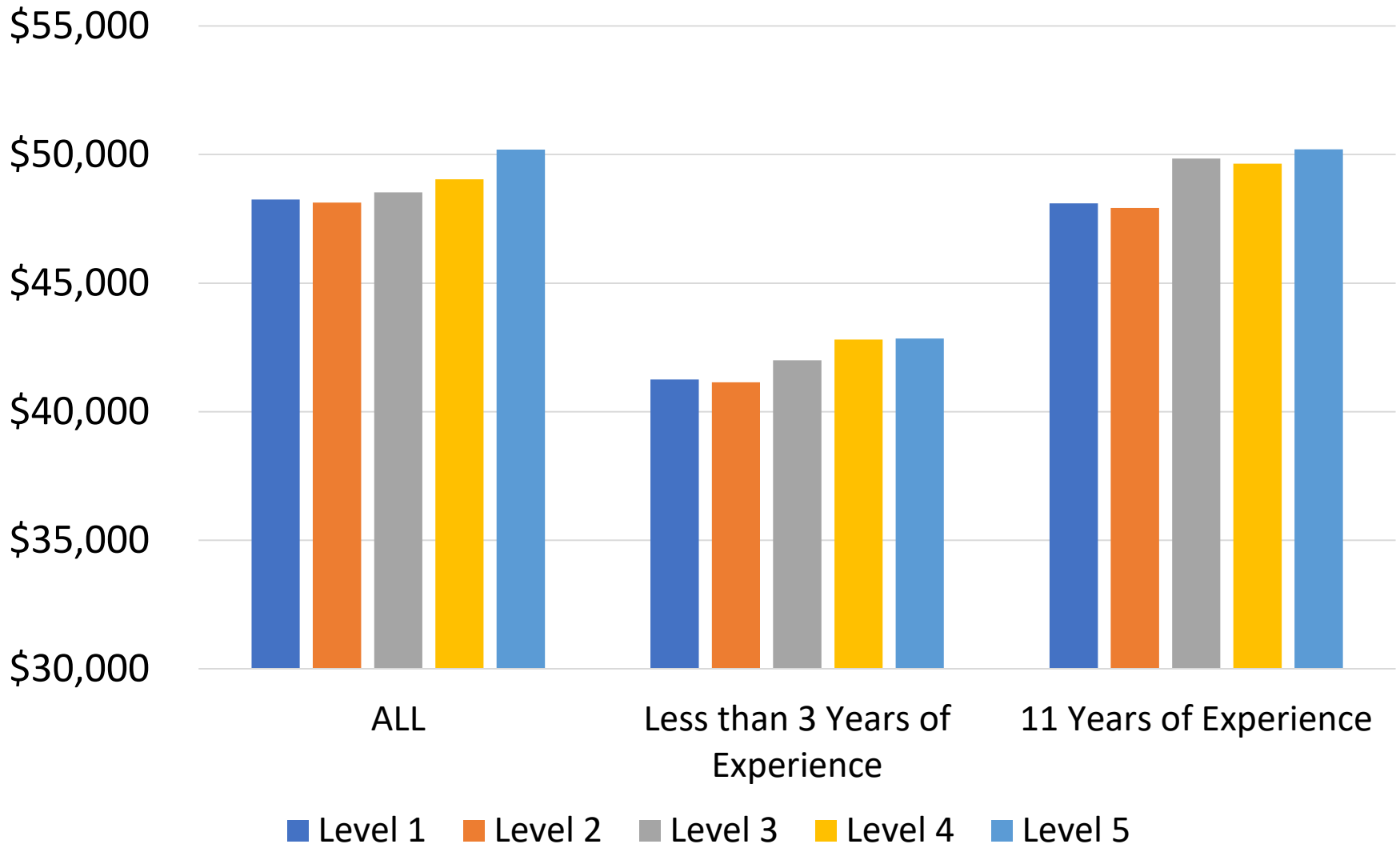
Median Salary by Prior Year Level of Effectiveness

LOE 1 & 2 LOE 3 LOE 4 LOE 5



Pay differentiation exists when looking at experience level and LOE.

2016-17 Median Salaries by 2015-16 LOE



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Differentiated Pay

Strategic Compensation Policy

- Requires LEAs differentiate how they pay licensed personnel
- Districts have flexibility under the law to develop and implement pay plans that meet their specific priorities, needs, and context:
 - Reward teachers who teach in high needs schools or high needs subject areas
 - Reward teachers for performance based on state board approved evaluation criteria
 - Additional compensation to teachers who take on additional instructional responsibilities (e.g., teacher mentors, instructional coaches)
 - Adopt alternative salary schedules
- Requires evidence of implementation of differentiated pay plan
- No presently employed teacher can earn less than they currently make, they can only make more

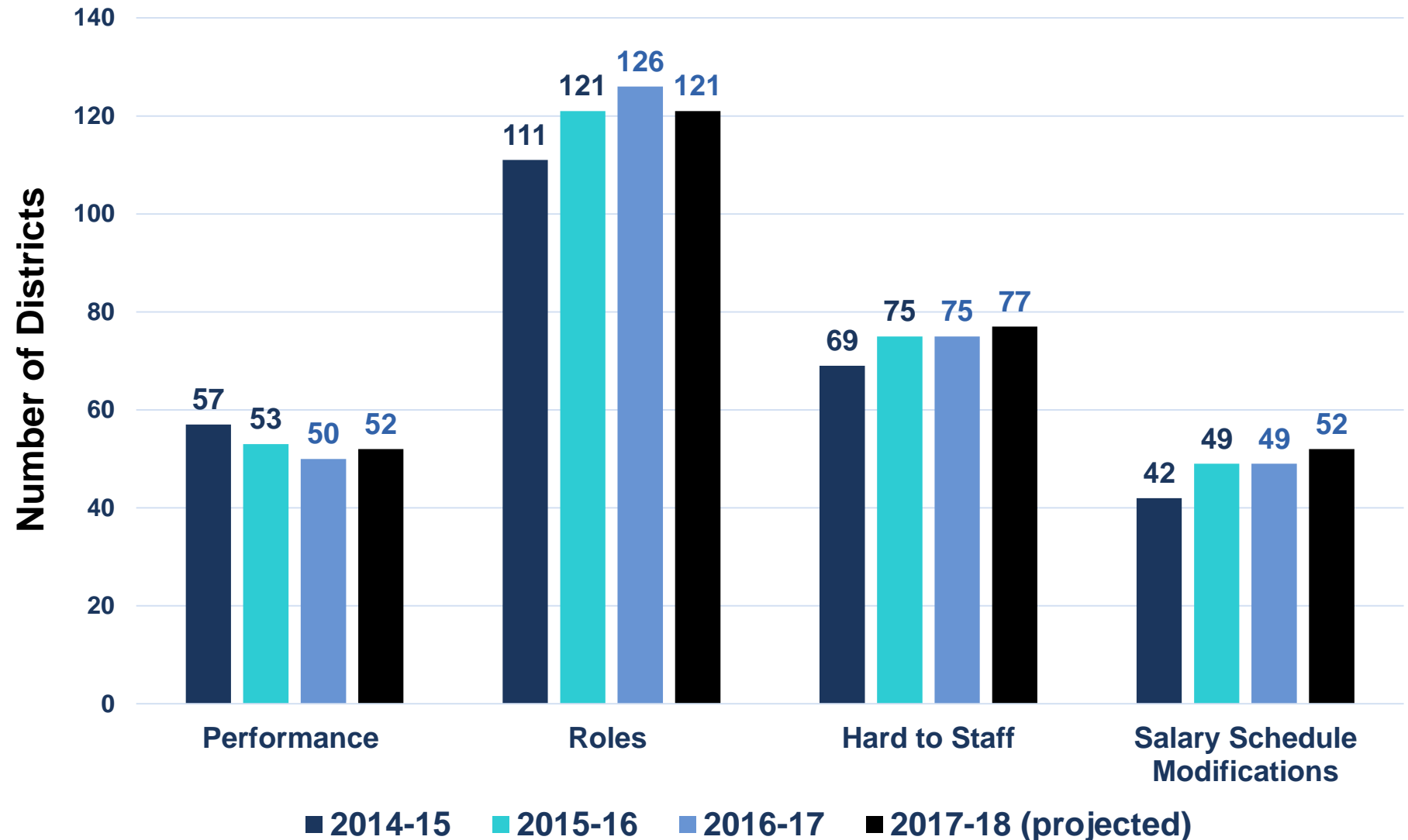
Examples of Strategic Compensation

- Hard to Staff (tested area)
 - Signing bonus: \$1,000
 - Retention bonus: \$1,000 (must have TVAAS level 3 or higher)
- Instructional Roles & Responsibilities (teacher leaders)
 - Learning leaders: \$3,000 stipend
 - LOE of 4 or higher to be eligible
- Performance Bonuses (district, school, individual)
 - Individual TVAAS, Level 4: \$250
 - Individual TVAAS Level 5: \$500
- Alternative Salary Schedules
 - Base pay increase for LOE: Level 3, \$350, Level 4: \$700, Level 5: \$1,050

2018-19 Differentiated Pay Submission Process

- Each district should submit their plans by **June 30**. Submission includes:
 - 2018-19 Differentiated Pay Plan
 - Implementation Update on 2017-18 Differentiated Pay Plan (based on payouts to teachers during the 2017-18 school year)
 - 2018-19 Salary Schedule (upload in excel format; can be in draft form)
- Online submission in Formstack
 - https://stateoftennessee.formstack.com/forms/2018_19_diff_pay_submission
- Educator talent team reviews each plan and sends feedback, approval, or both within three weeks

Types of Differentiated Pay Plans



Comparison of Beginning Salaries

CORE Region	Beginning Salary (low)	Beginning Salary (high)
East TN	\$33,794	\$40,600
First TN	\$33,745	\$44,000
Mid Cumberland	\$34,048	\$43,363
Northwest	\$33,777	\$41,115
Shelby and Municipals	\$42,343	\$43,190
South Central	\$34,192	\$38,948
Southeast	\$34,095	\$40,689
Southwest	\$33,803	\$38,992
Upper Cumberland	\$33,745	\$39,014

Other salary schedule considerations

- If your district is utilizing a traditional step and level salary schedule:
 - Equalize dollar amounts between degree lanes and experience levels
 - Create opportunities for effective teachers to reach the top
 - Who can earn the most in your district?
 - Align advanced degree options with needs
 - What types of advanced degrees are most correlated to student outcomes?
 - What types of advanced degrees meet the district needs?
 - How many additional degrees above a BA does your district recognize?
 - Should educators have to be utilizing the degree (job-related) to be paid for it?
- Are the investments in salary aligned toward meeting the district's goals for student achievement and outcomes?

Funding for Differentiated Pay

- Differentiated pay plans can be funded with local, state, or federal dollars.
- Funds for salaries can be used for one-time performance bonuses.
- If your district is utilizing a traditional step and level salary schedule, modifying that schedule could generate additional dollars down the road to reinvest in compensation.

<u>Steps</u>	<u>BA</u>	<u>+2,500 MA</u>	<u>+5,000 EDS</u>	<u>+7,500</u> <u>Doct.</u>	<u>Rate</u>
0	36,980	39,480	41,980	44,480	0
1	37,814	40,314	42,814	45,314	0
2	38,451	40,951	43,451	45,951	2
3	38,652	41,152	43,652	46,152	8
4	38,994	41,494	43,994	46,494	9
5	39,578	42,078	44,578	47,078	8
6	40,041	42,541	45,041	47,541	1
7	40,489	42,989	45,489	47,989	4
8	40,930	43,430	45,930	48,430	1
9	41,363	43,863	46,363	48,863	3
10	42,154	44,654	47,154	49,654	0
11	42,635	45,135	47,635	50,135	1
12	43,103	45,603	48,103	50,603	7
13	43,540	46,040	48,540	51,040	9
14	44,013	46,513	49,013	51,513	2
15	44,944	47,444	49,944	52,444	2
16	45,054	47,554	50,054	52,554	0
17	45,163	47,663	50,163	52,663	0
18	45,272	47,772	50,272	52,772	9
19	45,774	48,274	50,774	53,274	8
20	45,924	48,424	50,924	53,424	6
21	46,033	48,533	51,033	53,533	5
22	46,142	48,642	51,142	53,642	4

\$2,689

\$4,655

2017-18 State Minimum Salary Schedule

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2018-19 State Minimum Salary Schedule Coming Soon

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Next Steps

What Next?

- 2018-19 State Minimum Salary Schedule to be approved by the State Board in May 2018
- Identify priority areas for funding using district Human Capital Data Report and budget projections
- Review 2017-18 differentiated pay plan and identify areas of refinement
- Discuss changes to plan with leadership team (or other stakeholders)
 - Email Compensation.Questions@tn.gov with questions or with requests for support!
- Submit by **June 30, 2018**
 - 2018-19 differentiated pay plan
 - 2018-19 salary schedule
 - 2017-18 implementation update

Contact Information

- Sylvia Flowers, executive director of educator talent
 - Sylvia.Flowers@tn.gov
- Jaime Grimsley, director of educator talent
 - Jaime.Grimmsley@tn.gov
- Compensation.Questions@tn.gov



Districts and schools in Tennessee will exemplify excellence and equity such that all students are equipped with the knowledge and skills to successfully embark on their chosen path in life.

Excellence | Optimism | Judgment | Courage | Teamwork